



Mitigation Fees, Costs and Procurement



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Presentation Overview

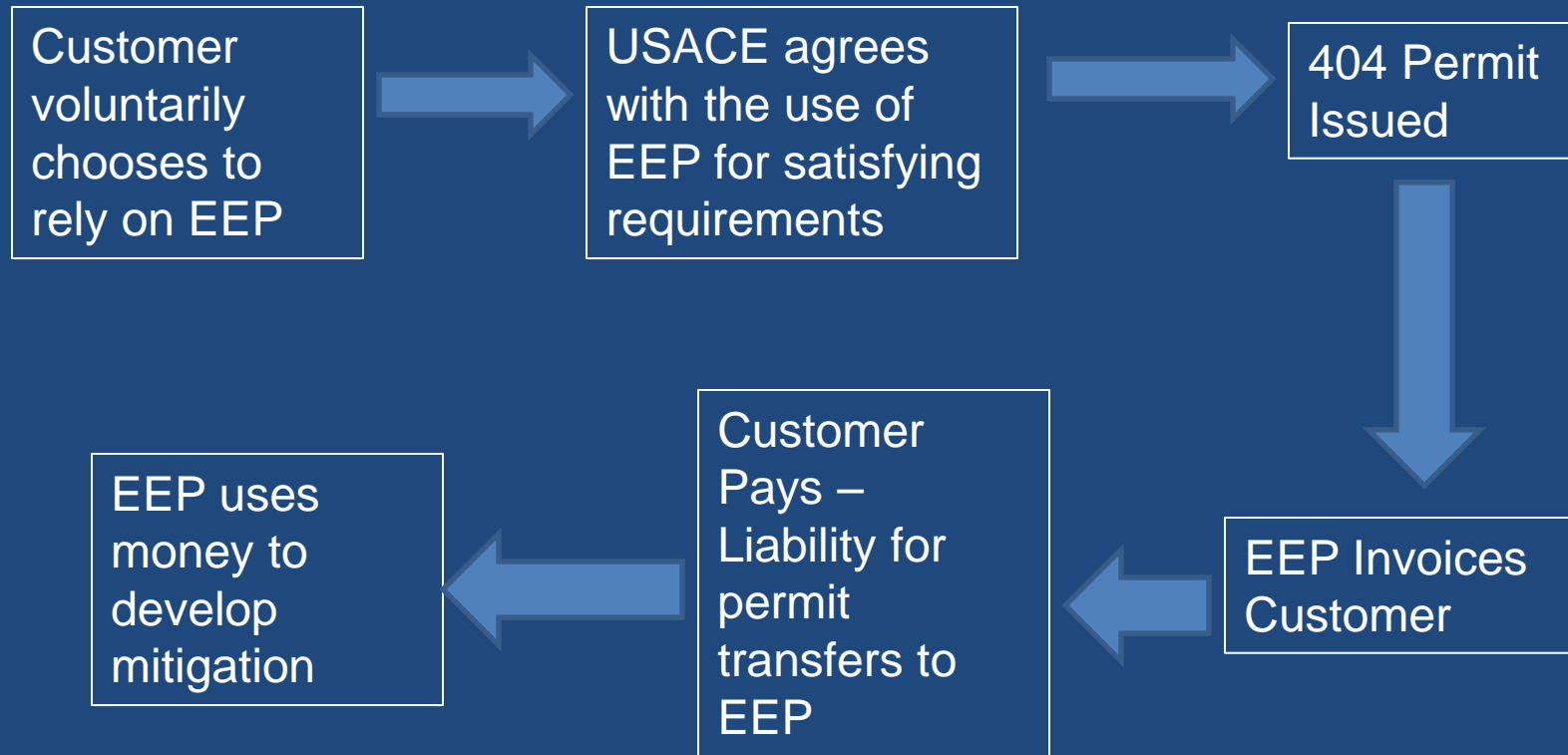
Mitigation Fees

Mitigation Costs

How credits are procured

EEP's credit inventory

Customer Process





EEP Mitigation Fees

- EEP totally receipts based
 - Fees must cover cost to do the work
- First established under WRP
 - Very limited cost dataset
- Revised in 2003
 - Established annual adjustment for inflation
- Revised in 2008
 - Established two-tiered system for payments



Fees over time

**Fee
Revision**



**Fee
Revision**



Years	Streams (per foot)	Wetlands (per acre)	
		Riparian	Non-riparian
1995-2003	\$125	\$24,000	\$12,000
2003-2004	\$200	\$24,000	\$12,000
2004-2005	\$205	\$24,552	\$12,276
2005-2006	\$219	\$26,246	\$13,123
2006-2007	\$232	\$27,847	\$13,924
2007-2008	\$245	\$29,351	\$14,676
2008-2009 - High	\$323	\$59,600	\$43,000
2009-2010 - High	\$344	\$63,414	\$45,752
2010-2011 - High	\$338	\$62,210	\$44,883
2011-2012 - High	\$349	\$64,077	\$46,230
2012-2013 - High	\$365	\$66,981	\$48,311

High/Low Rate Areas



Legend

- River Basin Boundary
- Cataloging Units
- Counties
- Hydrologic Units Subject to Fees Identified in Subparagraphs 3 and 4 of Option 2

70 0 70 Miles





Fees as compared to costs:

Current Rate Low	Cost Per Credit (3-year average)	Current Rate High
\$276	\$325 Streams	\$365
\$37,859	\$65,360 Riparian Wetlands	\$66,961
\$24,844	\$29,376 Non-riparian Wetlands	\$48,311



Where the money goes....



55% = Construction and
Construction Management

12% =
Design

10% =
Mon & Maint.

4% =
Land

4% =
Plan.

4% =
LT Mgt

9% =
EEP Ops



Procurement of Credits through Private Sector

- \$490 million awarded to private sector companies
- Types of companies we rely on:
 - Mitigation banking companies
 - Environmental consulting/engineering firms
 - Construction companies



Procurement Methods

- Purchase of Credits from Mitigation Bank
- Full Delivery Mitigation
- Design-Bid-Build



Purchase of Bank Credits

- EEP can purchase released credits from approved mitigation banks
- Banks can respond to FD RFPs
- Must have congruency with EEP's operating Instrument



Full Delivery Mitigation

- RFP process, best value to the state determined by unit cost/ technical rating
- Promotes competition in the mitigation industry
- Single contract for specified mitigation credits purchased at unit cost



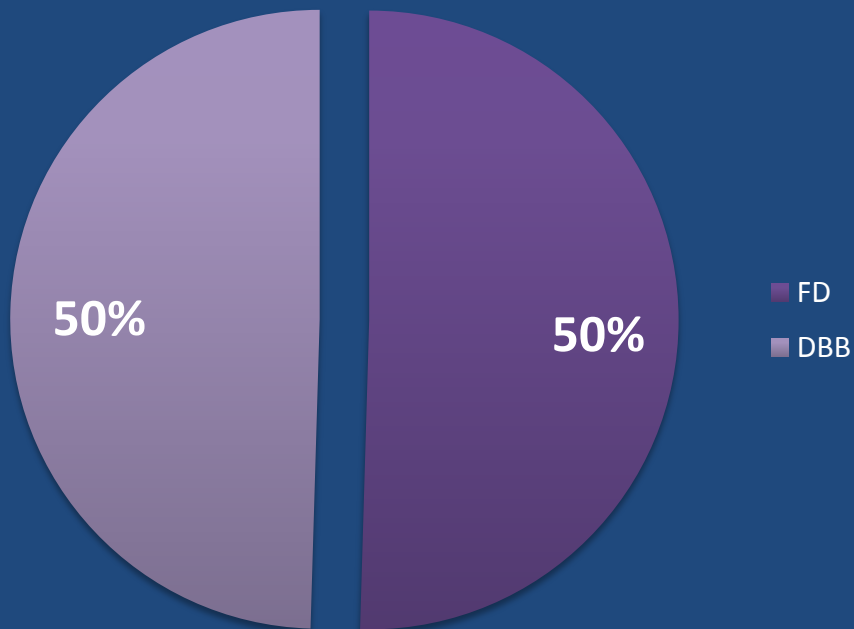
Design-Bid-Build

Multiple Contracts

- EEP/SPO secure property rights
- On-call consultants design project and oversee construction
- SCO construction process
 - Prequal required by SL 2011-343
- Separate monitoring contract (low bid)



Total Procurement



Contract \$ Awarded	Procurement Type
\$247,458,272.28	FD
\$242,854,458.71	DBB
\$490,312,730.99	Total



Increasing Reliance on FD

Projects Started

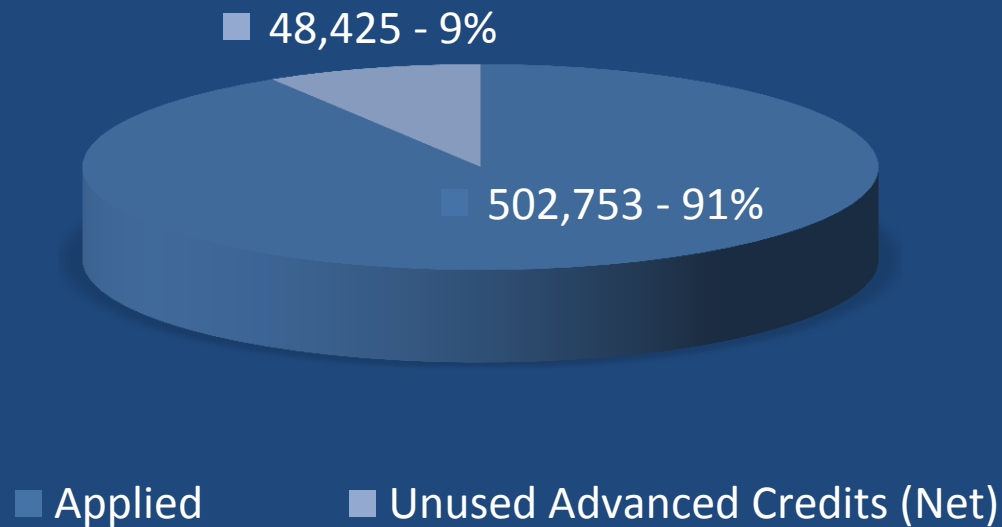




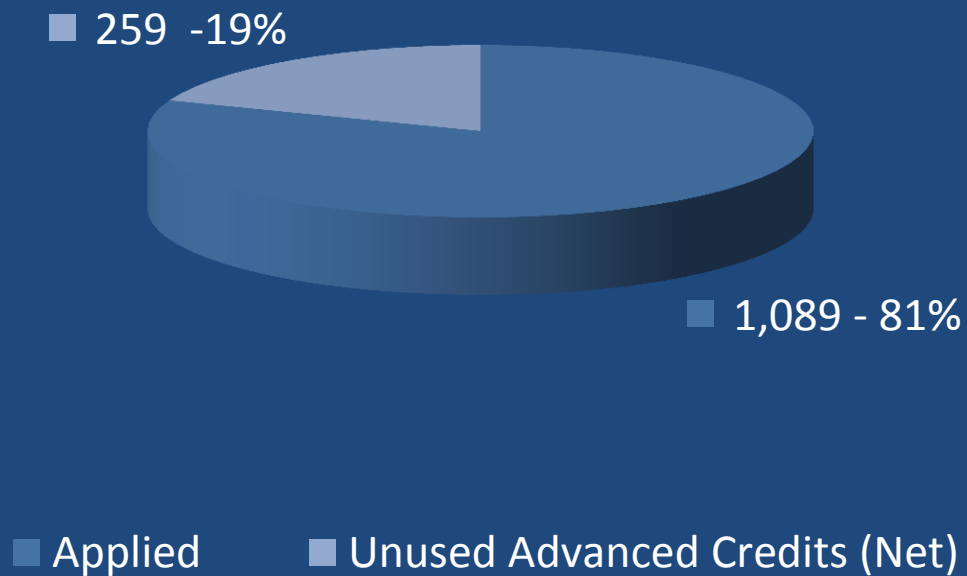
Inventory of Mitigation Credits

- Volume of credits generated by EEP
- Used – applied to permit requirements
- Unused – available for future requirements
 - Intentionally unused credits in NCDOT program

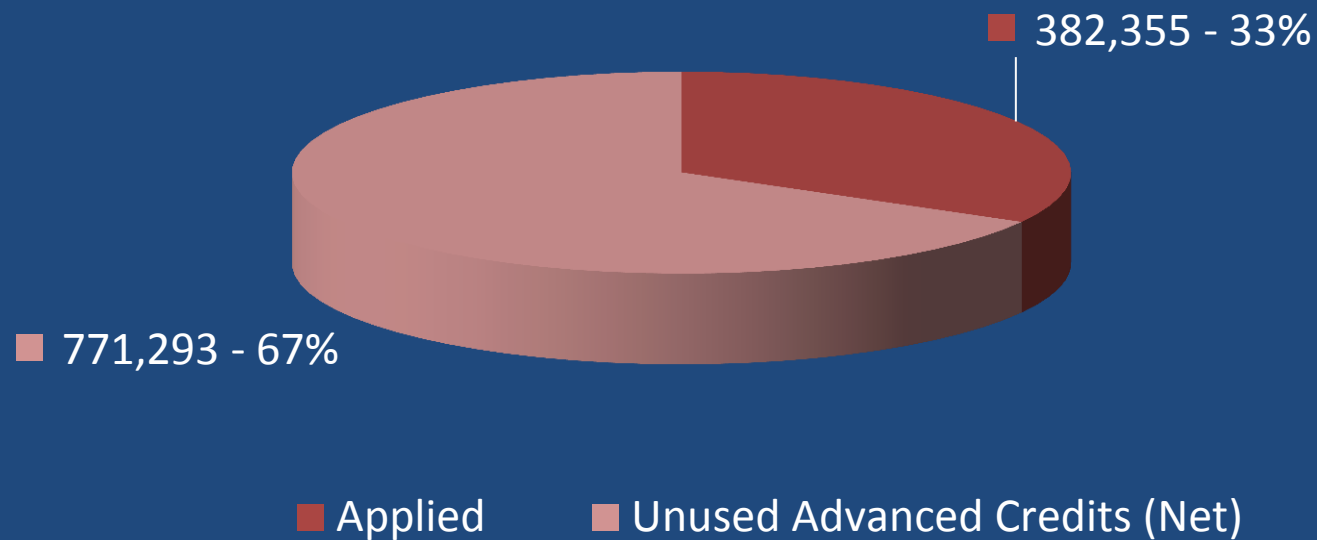
Statewide Stream and Wetland Program Inventory Total Stream Credits (Gross)



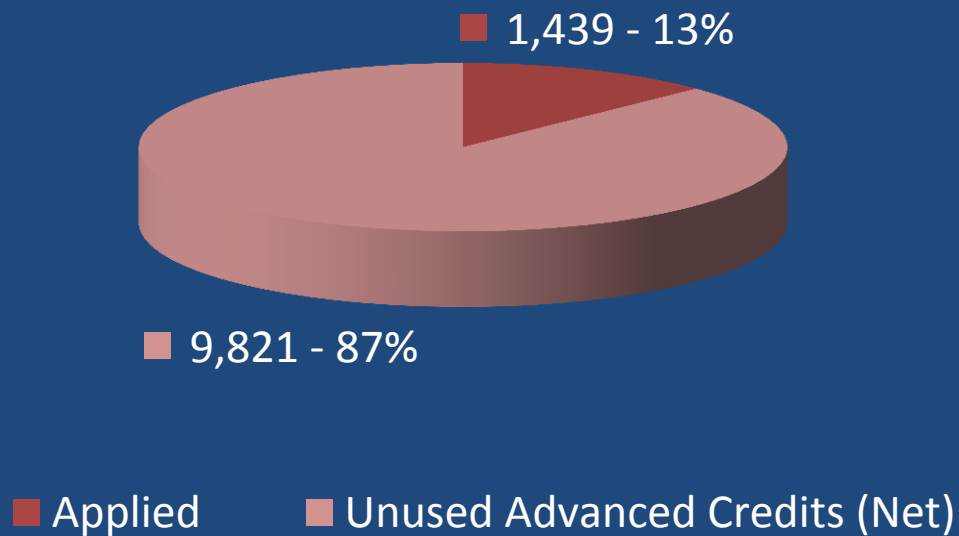
Statewide Stream and Wetland Program Inventory Total Wetland Credits (Gross)



NCDOT Stream and Wetland Program Inventory Total Stream Credits (Gross)



NCDOT Stream and Wetland Program Inventory Total Wetland Credits (Gross)





Questions?

